Honolulu, Hawaii

ADYII 2

, 2014

RE: S.B. No. 2817

> S.D. 2 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2014 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2817, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO SECURE AND FAIR ENFORCEMENT FOR MORTGAGE LICENSING ACT, "

begs leave to report as follows:

The purpose of this measure is to enhance mortgage loan originator licensing laws.

Generally, the measure:

- (1)Repeals licensing exemptions for individuals handling mortgage loans for immediate family members or their own residence;
- (2) Updates requirements for the principal place of business and branch offices of mortgage loan originator companies:
- (3) Makes the failure to satisfy initial licensing requirements a basis for denying, suspending, revoking, declining to renew, or placing conditions on a license;
- Requires mortgage loan originator companies to be open for business during posted business hours at each location, and authorizes the Commissioner of Financial

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Institutions to conduct an examination or investigation of the company during regular business hours; and

(5) Makes various housekeeping amendments to clarify and update licensing requirements.

The Department of Commerce and Consumer Affairs testified in support of this measure. The Hawaii Association of Mortgage Professionals and Hawaii Financial Services Association provided comments on this measure. Several individuals testified in opposition to this measure.

Your Committee has amended this measure by:

- (1) Requiring mortgage loan originator companies to post their business hours in a clear, conspicuous, and accurate manner to their main office door or website along with their address and phone number under certain circumstances;
- (2) Specifying that the Commissioner of Financial Institutions or the Commissioner's authorized representative shall be able to conduct an examination or investigation of mortgage loan originator companies during regular business hour;
- (3) Changing its effective date to July 1, 2014; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2817, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2817, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

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Respectfully submitted on behalf of the members of the Committee on Consumer Protection & Commerce,

ANGUS L.K. McKELVEY, Chair

## State of Hawaii House of Representatives The Twenty-seventh Legislature

HSCR 1505-14

## Record of Votes of the Committee on Consumer Protection and Commerce

SB 2017, SD2	Committee Referral:	Date	:: 04/62/14	
☐ The committee is reconsidering its previous	ous decision on the measure		- 11-11	
The recommendation is to:  Pass, unamended (as is)  Pass, with amendments (HD)  Hold  Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)				
2. KAWAKAMI, Derek S.K. (VC)		100 TSI A 3 Semisorrana anno 20 A 1 COVID		
3. BELATTI, Della Au				
4. BROWER, Tom		1948 C. F 1992 C. F. C. S.		
5. CACHOLA, Romy M.				
<ul><li>6. CREAGAN, Richard</li><li>7. EVANS, Cindy</li></ul>				
8. HAR, Sharon E.				
9. ITO, Ken				
10. LEE, Chris			**************************************	
11. NAKASHIMA, Mark M.				
12. OSHIRO, Marcus R.				1 1 2 a a a a a a a a a a a a a a a a a
13. TSUJI, Clift				
14. YAMANE, Ryan I.				
15. MCDERMOTT, Bob				NOE
16. THIELEN, Cynthia				
			·	
TOTAL (16)	13	1		2
The recommendation is: Adopt  If joint ref		did not suppo	ort recommendation	1.
Vice Chair's or designee's signature:				
<b>Distribution:</b> Original (White) – Committee	e Duplicate (Yellow)	- Chief Clerk's Office	Duplicate (F	Pink) – HMSO